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[Landlord Steve Croman Pleads Guilty; He'll Serve One Year in Prison](#)



Steve Croman after his surrender May 9, 2016.

New York City landlord Steve Croman, who owns numerous Lower East Side buildings, pleaded guilty today to fraudulently refinancing loans and committing tax fraud. Under a plea deal with the state attorney general, he'll serve one year in prison and pay the government \$5 million.

Croman was arrested in May of 2016 and accused by the AG of conducting a long campaign of intimidation and harassment against his tent stabilized tenants. A press release from the attorney general's office calls the settlement, "a significant precedent in the effort to combat landlords who base their business model on the displacement of rent-stabilized tenants."

In state supreme court this morning, Croman pleaded guilty to Grand Larceny in the Third Degree Falsifying Business Records in the First Degree and Criminal Tax Fraud in the Fourth Degree. Prosecutors said he fraudulently secured several refinancing loans and committed tax fraud by failing to withhold payroll taxes from employee paychecks. Croman will be sentenced on Sept. 19. More details from the press release:

Pursuant to the plea agreement and the defendant's allocution, Croman submitted false documents to banks, including rent rolls that falsely reflected market rate rents for units that were actually occupied by rent-stabilized tenants. Croman also inflated the amount of rent charged for certain commercial spaces in his buildings in an effort to show greater rental income. Croman falsified these rent rolls in order to inflate the annual rental income of his buildings, upon which his refinancing terms are partially based. All told, over a three-year period, Croman received more than \$45 million in loans under these false pretenses. Croman also intentionally failed to withhold New York State payroll taxes from bonus payments made to a former Croman Real Estate property manager, who was paid bonuses to get rent stabilized and rent controlled tenants out of Croman apartment buildings.

In a statement, AG Eric Schneiderman said, "Steven Croman is a fraudster and a criminal who engaged in a deliberate and illegal scheme to fraudulently obtain bank loans. He went to outrageous lengths to boost his bottom line – including falsely listing rent-stabilized units at market rates when his efforts to displace those renters had failed. Now Mr. Croman faces a year in Rikers and a \$5 million settlement – and unscrupulous landlords are on notice that we'll pursue them to the fullest extent of the law."

A civil case against Croman by the attorney general is still ongoing.

The infamous property owner controls 140 New York City buildings, including 159 Stanton St., where tenants were relocated in February due to safety concerns from the Department of Buildings.

By [Ed Litvak](#) in [Lower East Side News Real Estate](#) on **June 6, 2017 11:52 am**
[steve croman](#)
